DOCUMENT RESUME

ED 273 732 UD 025 122

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TITLE Economic Self-Sufficiency among Recently-Arrived Refugees from Southeast Asia.
INSTITUTION Michigan Univ., Ann Arbor. Survey Research Center.
PUB DATE 85
NOTE 6p.
PUB TYPE Reports - Research/Technical (143) -- Journal Articles (080)
JOURNAL CIT Economic Outlook; v12 n3 1985

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Asian Americans; Chinese Americans; Economic Research; *Economic Status; Income; Language Proficiency; Laotians; Occupational Mobility; Poverty; Public Support; *Refugees; Vietnamese People
IDENTIFIERS *Southeast Asians

ABSTRACT

This study attempts to determine the degree of economic self-sufficiency achieved by Southeast Asian refugees who have arrived in the United States since October 1978. Three groups of refugees (Vietnamese, Chinese from Vietnam, and lowland Lao) were interviewed in five sites across the country. The two particular aspects of economic self-sufficiency which were investigated were: (1) whether the household had anyone within it receiving public cash assistance, and (2) how the total income of the household (including assistance and earnings) compared to the official poverty level. Factors influencing economic self-sufficiency include household composition, multi-wage earner strategies, and English proficiency upon arrival in the U.S. While the refugees may have been industrious and able to secure jobs which have moved them steadily out of poverty, the jobs held are primarily low in socioeconomic status and predominantly in peripheral rather than core sector employment. Consequently, 12 percent of the households living on earned income are impoverished. Furthermore, the economic improvement has been due to multiple-job strategies and not because individuals advanced or secured better paying jobs. While the refugees may have been successful in making ends meet, the relationship between this rapid achievement of immediate self-sufficiency and the maintenance of long-term self-sufficiency remains to be seen. (ETS)

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ECONOMIC SELF-SUFFICIENCY AMONG RECENTLY-ARRIVED REFUGEES FROM SOUTHEAST ASIA

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Economic Self-Sufficiency among Recently-Arrived Refugees from Southeast Asia

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With the fall of Saigon in April 1975, the United States embarked on a program of resettlement of Southeast Asian refugees who now number approximately three-quarters of a million. Beginning in September 1978, a second major influx of refugees, including those Vietnamese and Chinese treated in the press as the "Boat People," began arriving in the United States. These more recent arrivals were moderately different in background characteristics by comparison with their earlier cohorts. While the earlier arrivials were largely Vietnamese who were educated, were familiar with Western culture, and possessed English language skills, those arriving in the fall of 1978 and after were more varied in ethnicity and their skills. In addition to Vietnamese, this second wave of refugees included Chinese from Vietnam, Hmong and Mien from Laos, Khmer, Lao, and others. On average they were somewhat less educated and more limited in job skills, education, and English proficiency.

In late summer 1982, the Institute for Social Research fielded a survey among Southeast Asian refugees who had arrived in the United States from October 1978. The primary purpose of this study was to determine the degree of economic self-sufficiency achieved by these refugees at the time and the factors associated with it. Three groups of refugees (Vietnamese, Chinese from Vietnam, and lowland Lao) were interviewed in five sites across the country: Boston, Chicago, Seattle, Houston, and Orange County, California. The interviewing took place in the depths of the American recession, and the economies of all the sites were suffering to one degree or another. The sampling was drawn from a combination of administrative lists and area probability sampling procedures.

CHART 1. Unemployment Rate by Length of Residence in U.S.

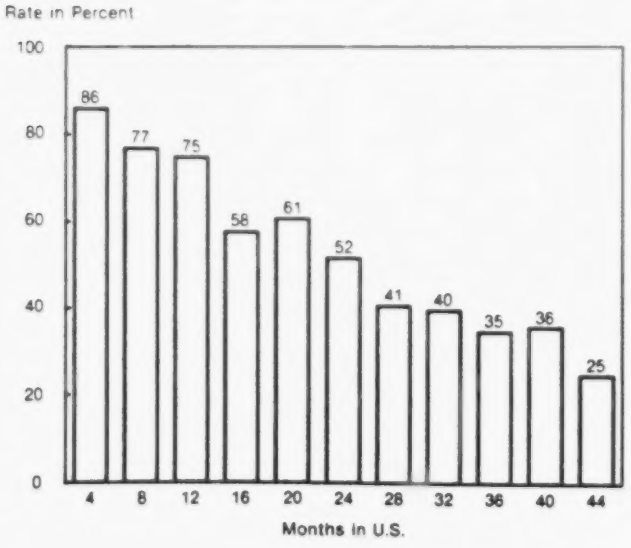
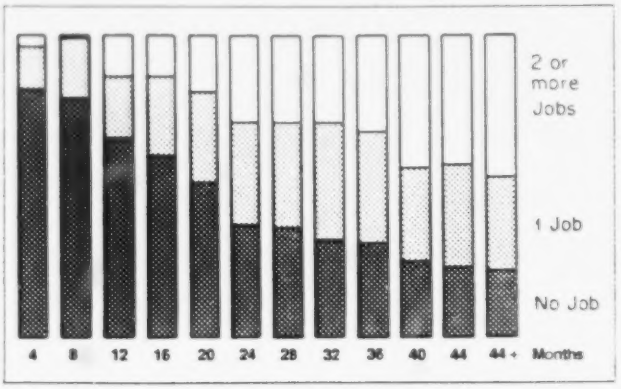


CHART 2. Employment per Household by Length of Residence in U.S.



The survey resulted in 1384 household interviews conducted in the respondents' native languages, yielding data on 4160 adults (aged 16 and over) and 2615 children. The adult population tended to be male (61 percent) and young, with an average age among adults of 31. The household (that is, all the individuals living therein) was focused upon as the unit of analysis. Our definition of economic self-sufficiency looked at two different aspects: whether the household had anyone within it receiving public cash assistance, and how the total income of the household (including both assistance and earnings) compared to the official poverty level.

Labor Force Participation

At the time of the survey, 44 percent (1823) of the total adult population were in the job market. The unemployment rate among these was 42 percent (773); 58 percent (1050) had found jobs. This figure does not include the 56 percent (2337) of the total adult population not participating in the labor force: those simply not looking for work (12 percent); students (24 percent); and housewives, the disabled, and the retired (20 percent).

While the unemployment rate is high, it is an aggregate figure which includes all refugees seeking work from the moment they enter the United States. Chart 1 shows the drop in the unemployment rate from the first months of resettlement (almost 90 percent) to residence for more than three years in the United States (about a third). Those refugees who had been in the United States between two and three years had an unemployment rate under 40 percent.

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Of those who were working, about two-thirds held low status jobs in the peripheral as opposed to the core sector of the economy. The occupations in the United States were consistently lower in status than the occupations held in Southeast Asia, and there appears to have been little direct transfer of the skills employed in Southeast Asia to the jobs obtained in the United States so far.

The manner by which refugee households get ahead in the United States is by increasing the number of its occupants who are working and bringing in earned income – that is, by a multiple-job strategy. When seen from the standpoint of the household rather than the individual, a very different and far more encouraging picture emerges. Chart 2 shows changes in the percentage of the household sample with no job, one job, or two or more jobs over four month intervals. The steady, almost monotonic increase in the percent of households with two or more jobs is a most significant feature.

Income Source

Virtually all Southeast Asian refugees begin their American lives on welfare. For most, getting off public assistance is a slow and gradual process, one made more difficult by the relatively poor economy into which many of those surveyed were originally thrust. A majority of the households in our sample (65 percent) received some kind of cash assistance at the time of the interview; 45 percent in this country over three years still got some cash assistance (see Chart 3). Ten percent of the households were without any source of income. These were households that were either newly arrived and yet to receive cash assistance, or those in which the breadwinner was recently laid off.

We found three patterns of household income, according to the source of that income. The first pattern is transfer income – public assistance pure and simple; the second is a combination of public assistance (in whatever form) with earned income; and the third is earned income alone. A combined income for a household generally means that at least one individual is bringing earnings into the household at the same time that at least one other individual is bringing cash assistance into the same household. Occasionally, though rarely, the two cases might be the same person.

CHART 3. Households Receiving Cash Assistance by Length of Residence in U.S.

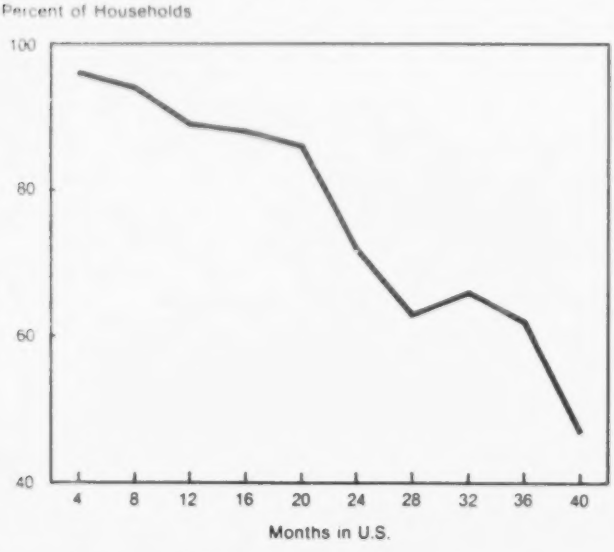
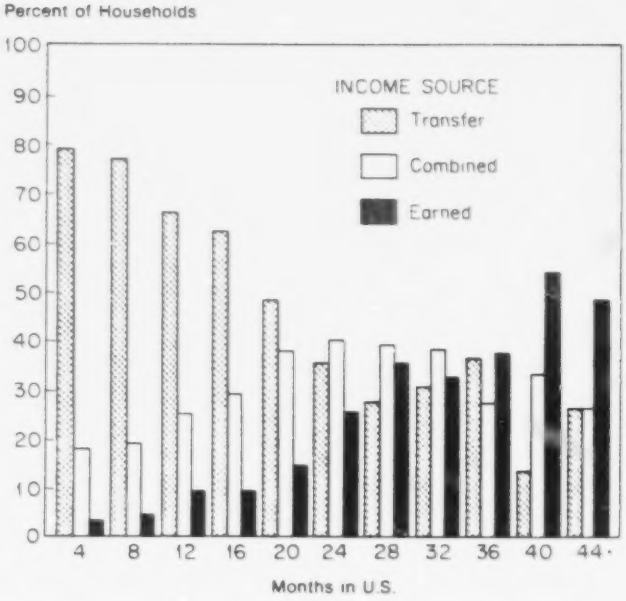


CHART 4. Income Source by Length of Residence in U.S.



Of the 1384 households surveyed, 43 percent subsisted solely on public assistance (whether cash or food stamps), almost a third (32 percent) combined earnings and some form of public assistance, and a quarter (25 percent) depended upon earnings alone. The importance of food stamps is illustrated by the fact that 94 percent of the households with only transfer income got them, as did 79 percent of the households with combined income sources.

Not unexpectedly, the refugee households with earned income alone were the earliest arrivals, having been in the United States an average of 32 months. They were also the highest in English proficiency and education upon arrival here. The households with combined income had been in the United States an average of 26 months, contained a higher percent of unrelated individuals, and were generally larger and more complex. The households totally on public assistance had been in the United States, on the average, only 20 months, were lowest in English proficiency and education on arrival, and were more likely to have come from rural areas in their homelands.

As the household members move from no jobs to one job and more enter into the labor force, there is a greater and greater chance for self-sufficiency. At the same time, there is an equally steady move from transfer to earned income, with or without a combined phase in between. Chart 4 shows the steady change, particularly in the first two years, for all three income groups. Households totally on transfer income dropped from almost 80 percent in the first four months to around 30 percent after three years. Those on earned income alone rose fairly steadily from 3 percent in the first four months to about 50 percent after three years. The

percentage of households with combined income rose from almost 20 percent in the first four months to double that from 20 to 32 months, before falling off to about 30 percent thereafter.

Poverty Level Standing

Fifty percent of the households sampled fell below the federal poverty level, and 8 percent had incomes at 50 percent or less of the poverty level. On the other hand, 20 percent had incomes which were at least twice the poverty level. The majority of households on transfer income were below the poverty line, while those with combined income tended to be just above the poverty line, and those with earned income alone were spread out well beyond the poverty line. Sixty-four percent of the transfer group, 28 percent of the combined group, and 12 percent of the earned group were under the line.

Although we have tended to view those on earned income alone as economically self-sufficient, it is somewhat misleading to do so. They are, in fact, economically independent, but the 12 percent below the poverty line cannot really be considered self-sufficient.

Once again, if we move from the aggregate data to a time line, we see a steady growth in the ability of the households to meet the poverty level and to go beyond it. The rise of households with earned incomes is matched by the rise in the percent of the poverty level met by the household income. Chart 5 shows that households in the United States only four months or less met 46 percent of the poverty level requirement, those here four to eight months met 95 percent, households here three years were close to 150 percent, and those here four years were almost at 200 percent. This change ties in with Chart 4 in poverty-level standing as well as with the number of jobs per household over time (see Chart 2). Thus, dramatic changes in economic status occur when additional people take jobs rather than from changes in wages through the job advancement of a single individual in the household. Seventeen percent of the households with no jobs were above the poverty level; 68 percent with one job and 93 percent with at least two jobs were above the poverty line. The rise in households with two or more jobs and the increase in the percent of poverty level met together confirm that improvements in living standards have resulted from additional people employed per household.

Factors Influencing Economic Self-Sufficiency

Household composition is strongly associated with the potential for improvement in economic position. Table 1 shows that the nuclear family, the household group which constitutes the largest proportion of the total sample (about half, in fact), has also had the highest percentage of those below the poverty line. Sixty-one percent of those households did not obtain enough income to meet this level. The second largest segment of the sample, households made up of extended families, was somewhat better, 43 percent being below the poverty level. The main element reflected in Table 1 is the number of employable adults available in each type of household. Thus, those households containing both related people and unrelated singles did significantly better than the same type of household without such attached singles, 25 percent being below the poverty line.

The *multiple-wage earner strategy* illustrated earlier in Chart 2 is of utmost importance to getting ahead economically. When one person gets a job the household's ability to meet basic needs over the poverty-level standard is improved. But the big change in living standard occurs when a second person from the household finds gainful employment. This is particularly important for the single nuclear family and demonstrates the importance of the multiple-wage earner strategies in the rapid adaptation to the labor force and in the achievement of early economic inde-

CHART 5. Percent of Poverty Standard Met by Total Household Income

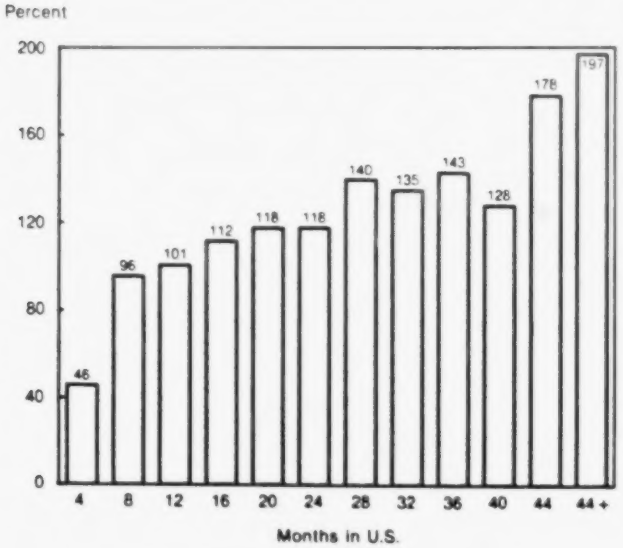


TABLE 1. Total Household Composition by Poverty Level

Household Composition	Percent of Sample	Percent with Income below Poverty Level
Unrelated Singles	5.5	9
Extended Family and Singles	4.8	20
Multiple Family and Singles	1.9	27
Nuclear Family and Singles	5.1	29
Single, Living Alone	4.7	29
Multiple Family	2.6	40
Extended Family	27.2	43
Nuclear Family	48.2	61
	100.0	

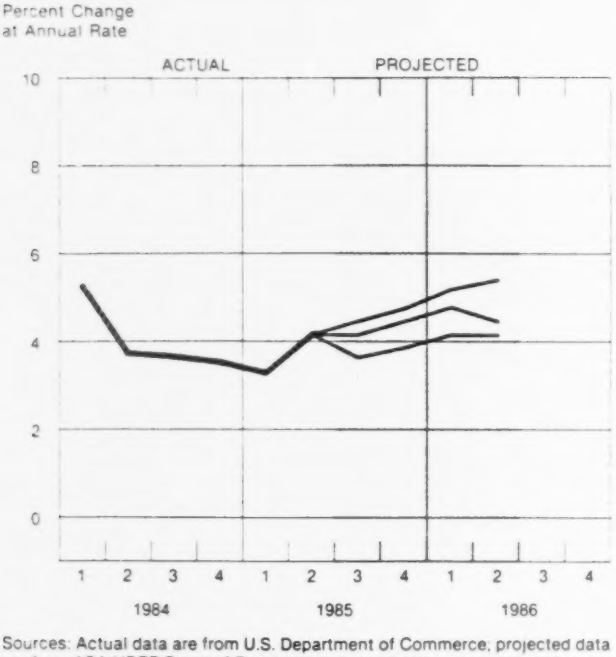
pendence; it also demonstrates the willingness of both spouses to participate in the workforce; and it carries with it a policy implication – namely, the likely importance of day-care for the economic advancement of low-income households.

English proficiency upon arrival in the U.S. is second only to household composition as a predictor of later self-sufficiency. For nuclear family households, it is the best predictor. Even minimal English proficiency beyond "none" greatly enhances the likelihood of achieving self-sufficiency. Yet, over half those sampled had no English proficiency upon arrival. Arrival English was a far better predictor than prior education, prior occupation, or current English. Thus, it did not matter how a person acquired English proficiency before arrival (i.e., educational or occupational background) nor how much or by what means proficiency was improved by post-arrival experience. The important predictor of economic self-sufficiency, at least during this early stage of resettlement, was proficiency upon arrival.

Long-Term Versus Short-term Economic Self-Sufficiency

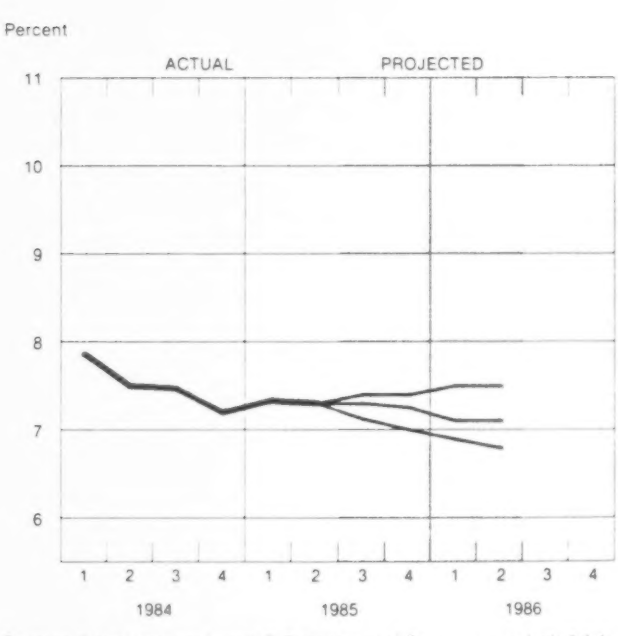
How long can the upward trajectory of economic progress indicated by these data be expected to continue? While the refugees may have been industrious and able to secure jobs which have moved them steadily out of poverty, the jobs held are primarily low in socioeconomic status and predominantly in peripheral rather than core sector employment. Thus, it is no wonder that 12 percent of the households on earned income are impoverished. Furthermore, the economic improvement has been due to multiple-job strategies and not because individuals advanced or secured better paying jobs. While they may have been successful in making ends meet, is there reason to believe that economic security or even well-being will follow? Put simply, the relationship between this rapid achievement of immediate self-sufficiency and the maintenance of long-term self-sufficiency remains to be seen.

CONSUMER PRICE INDEX



Sources: Actual data are from U.S. Department of Commerce; projected data are from ASA-NBER Panel of Forecasters, revised when necessary to be consistent with latest actual data. The 3 lines display 3rd, 2nd (median), and 1st quartile values from the array of forecasts.

UNEMPLOYMENT RATE



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